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Rio Tinto puts Jadar Lithium Project On Hold

Rio Tinto drops a bombshell on European lithium, critical minerals and EV independence.......

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Published: 21st November 2025

Artist's impression of Jadar underground lithium mine. Source: Rio Tinto Investor Seminar Presentation December 2024, page 38.

Welcome to this ninth issue of the Lithium Briefing from thelithiumreport.com.

Rio Tinto just **dropped a bombshell** on the **European critical minerals strategy**. An internal memo was leaked stating that the Jadar lithium mining project in Serbia was to be mothballed - "put on care and maintenance" is what the mining industry calls it.

The Jadar deposit was discovered in 2004. It consists of a unique lithium-boron silicate mineral. Rio Tinto developed a process to extract the lithium and started acquiring land in 2020. In 2021 they announced the CAPEX would be **$2.4 billion** and sent out a pilot plant to test their process. Wide scale public protests led to the mining permit being revoked in early 2022 at the height of the controversy caused by Rio's destruction of aboriginal sites in Australia.

The mining permit was reinstated in mid-2024 and a few days later a high level **"critical minerals summit"** was held in Belgrade between the EU and Serbia, attended by the German Chancellor Olaf Scholz and the Vice President of the EU, leading to a "**strategic partnership**" to provide **lithium** to the **European car manufacturers**. It appears that everything was well coordinated in advance. Public protests have been ongoing since.

Jadar is by far the best lithium deposit in Europe. It has high grade, 1.8% Li_2O, which means that a high amount of the lithium in the ore can actually be recovered, probably around 75%. And it is **effectively** the **largest hard rock deposit in Europe, containing 6 million tonnes LCE**.

Although the combined Zinnwald/ Cinovec lithium deposit in southern Germany and Czechia is nominally slightly larger, containing 8.1 Mt LCE in total, the grade is much lower, 0.76% Li_2O on the German side and 0.43% Li_2O on the Czechia side. This means recovery will be lower and two to three times as much ore has to be processed.

In line with that, **Rio Tinto were planning a substantial operation**, planning to produce 58,000 tpa of battery grade lithium carbonate in a downstream converter. That would be sufficient for some **900,000 cars**.

By 2025 CAPEX had increased to **€2.55 billion** or nearly **US$3 billion**, with a **further cost revision** in June 2025. Rio Tinto have already spent **US$6.7 billion** on buying **Arcadium** and **$2.5 billion** on the **Rincon** project in Argentina this year.

Given the continuing low lithium price environment and Serbian public opposition, Rio Tinto have clearly decided to focus on their other lithium projects until lithium economics improve.

So where does this leave Europe? With a big hole in its lithium plans.

There are **still no lithium mines** in operation in Europe, except a few quarries for glass and ceramics in Portugal. The long delayed **Keliber** project in **Finland** should finally start up next year followed by **Barroso** in 2027. And downstream, AMG's **Bitterfeld** converter is the **only plant** in operation, running on feedstock from Brazil.

Under the **EU's Critical Raw Materials Act** of April 2024, by 2030 10% of the EU's annual consumption of critical materials must be mined within the EU and 40% of consumption processed within the EU. Given this target and the **high level political endorsement** Germany and the EU gave to the project, this decision is a major step backwards.

If the other projects in the pipeline progress as planned, the EU should still be on course to mine over 100,000 tonnes LCE by 2030. But projects keep slipping and Jadar's postponement, while not surprising, does **nothing to boost confidence** that the EU will be able to sustain an independent EV industry. The Chinese dragon breathes ever hotter down the necks of the European vehicle manufacturers.

The Lithium Report 2025 – 2035: The Next 10 Years. Everything you need to know about upstream lithium supply.

Article available on line at

https://www.linkedin.com/pulse/rio-tinto-puts-jadar-lithium-project-hold-william-tahil-0msee